



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING



MARIANNE UDOW  
DIRECTOR

January 26, 2007

The Honorable Bill Hardiman, Chair  
Senate Appropriations Subcommittee on DHS  
Michigan State Senate  
Lansing, Michigan 48933

The Honorable Dudley Spade, Chair  
House Appropriations Subcommittee on DHS  
Michigan House of Representatives  
Lansing, Michigan 48933

Dear Senator Hardiman and Representative Spade:

Section 902(5) of 2005 Public Act No. 147 requires the Department of Human Services (DHS) to submit quarterly reports to the legislature on expenditures and improvements made from a one time appropriation of \$17,800,000 to fix and improve the Michigan Child Support Enforcement System (MiCSES). The appropriation of \$17,800,000 assumes the net collection of \$6,100,000 state funds from the Michigan Arrearage Collection Special Project (MACS Project), an arrearage collection program. The \$6,100,000 could then be used to draw federal matching dollars which would make the total \$17,800,000.

Please accept this letter as the DHS's fourth quarterly report for fiscal year 2006. As of the end of the fourth quarter a gross total of \$8,934,097 was collected through the MACS Project. Of this amount \$2,571,419 was netted for state arrearages. The remainder went to the federal government, custodial parents and local friends of the court. Matching the state net share of \$2,571,419 with federal revenues provides for \$7,562, 997 available for MiCSES expenditures. As of the end of the quarter \$4,779,843 of the \$17,800,000 appropriation was spent.

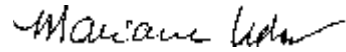
The deadline for participation in the MACS Project was June 16, 2006 thus the collection of all enhanced funding for MiCSES improvements for fiscal year 2006 have been completed. A total of \$2,300,000 of MACS Project funding will be carried forward, as an authorized work project, into fiscal year 2007 to continue MiCSES improvements.

The child support Program Leadership Group has developed and approved a two-year plan that prioritizes the improvements and fixes to be made to MiCSES with the funds collected from the MACS project. During the first half of fiscal year 2006 the MACS funds have been used to improve document generation, forms archival, the parenting time abatement process in MiCSES, income withholding notice improvements, and system performance. In the third quarter the fixes and improvements noted above were finalized and released into production and planning for the final portion of this project began. No additional MACS Project funds were spent during the fourth quarter; the remaining balance will be spent in the first and

second quarter of fiscal year 2007 on various improvements to MiCSES case management, such as interstate case processing, automated case closure, and further automation of MiCSES batch processing.

If you have any questions, please contact John Sorbet, chief administrative officer, at (517) 373-7787.

Sincerely,

A handwritten signature in black ink, appearing to read "Marianne Udow", with a stylized flourish at the end.

Marianne Udow

C: Senate and House Appropriations Subcommittee on DHS  
Senate and House Fiscal Agencies  
Senate and House Policy Offices  
State Budget Office